

# Bioenergy Council Policy Subgroup Mtg

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April 3, 2012 – WELCOME TO OUR MEETING!!

**Please use the dial in info below:**

**WISC Line Dial In:** 1-888-291-0310

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## Agenda

1:00 Discuss meeting logistics

- Is webinar system working for all users?
- Introductions
- Recording will occur
- Role of Council – Role of Agency Staff
- Deliverables/expectation management

1:15 Review policy subgroup documents (attached to email sent 3-21-12)

- **State policies should be drafted or adjusted to provide parity among renewable energy sources and feedstocks (ex. Tax policies, incentive programs)**
  - Expansion of property tax exemption of “energy systems” beyond just solar and wind to include biogas energy systems
    - Expand biogas to include biomass definition from other statutory language
    - Small biomass projects at existing manufacturing plants
    - Look at how the utilities are taxed (no prop taxes) instead based on units of power sold
      - Efforts to exempt third party ownership from being a power generator (would not treat them as a utility therefore exempt from gross receipts tax)
      - Could cause issues with utilities
      - Keith - Enable business owners to have more financing options so upfront costs aren't the upfront barrier;
      - How those policies in tandem would help each other to move projects forward. Cross over with financing aspects and the taxes on utilities
      - Solution??: exempting generation from a renewable facility from the gross receipts tax ?? What would the ramifications be?
      - Sizes as a way to help with this issue area.

- 2011 SB 519 – goals for state energy consumption and for energy use by certain state agencies;
  - May be helpful to stay away from endorsing/supporting any individual bills. Instead it may be helpful to support the policies within the given bill (ex. Increase state renewable power purchases, but not the entirety of the bills)
  - Need to be more objective than endorsing a given piece of legislation
  - Is there a process we could use to support to increase the % of state power purchases
  - So is the Council interested in supporting an increase state purchases – lay out the issue (increase state purchases). Consider a reevaluation of the levels as they are met by the state over time??
  - Council supports X via legislation of independent action by the DOA.
  - Include pros and cons of doing it different ways – legisl. vs agency actions, what the state has done already, ways to meet those goals.
- **Any state policies should be developed to address all 3 facets of renewable energy production – heat, power and fuels.**
  - Role of a state Renewable Fuel Standard, Renewable Thermal Standard
  - Not much support for a RFS or thermal. Better to achieve thermal renewable energy and fuel energy to help satisfy the RPS?? Carve outs into the current RPS is one way to include them without setting independent standards.
  - Discourage more incorporation into the RPS without expanding it.
  - RPS – light pipe technology example, allows different technology to compete against each other for the RPS %,
  - Can we agree that it would be best to create a RTS? Look into what a thermal RTS would look like.
  - Renewable Energy standard that would include all of these? Like Clean Energy Standards at national level? Worth looking into a bit.
  - Encourage research in fuels, power, etc – biodiesel as an example
- **The potential for streamlining permitting, contracting and regulations should be considered and acted upon.**
  - Understanding the permitting and regulatory landscape (Gary?)
    - Agencies involved, role, overlapping duties
    - May be more efficient to have council members identify issue areas with these (who's a utility statutorily?) – follow up with council members to help ID these sticking points – **barriers group** may be more tuned in to this topic – bring this up at 4/10 meeting with that group
  - PPA contracts – more consistency across territories? Interconnection issues?
    - Solutions for financing costs of interconnections – utility financing of that cost and the project would pay it back through a \$ per kw pay back.
    - **Can state tax policy come in to help this? Tax credits? Revolving loan program to assist with those costs? **Barriers group discussion as well!****

- Grant writing assistance program establishment?
- **State policy-makers and agencies that implement Wisconsin's bioenergy policies must become more involved at the federal level to ensure national policies interface positively with Wisconsin policies and goals.**
  - Pursue the importance of national-level policy rather than piecing together state or regional policies to provide consistency and a level playing field
  - Applicable in 2 areas – what EPA is going to do with the Biomass Net neutral carbon source or not (DNR?) ; National RPS/Clean Energy Standard. State needs to be involved in these discussions since we have made advances in some of these areas and we would want to provide guidance in those discussions.
  - Farm Bill, Conservation Reserve Program, Energy Title, Allocation of certain funds to various bioenergy projects/types?
- **Additional ideas and example policy areas by those who didn't attend the Feb. Meeting**
  - **Financing structures**
    - Tax credits work only if you have a tax liability – many don't. Idea of transferrable tax credit, trading market to take immediate tax credit (Tim Clay) Worth looking into off-line at this – probably overlaps with financing issues in barriers group; Oregon, Missouri for EtOH tradable tax credits.
  - **Pilot programs** – Propose some specific programs (Gary) pellets (ag and woody), CNG? BioCNG? Opportunity to combine with issues below. Preston – half page pilot program proposals to let Council ID ones they might want to pursue.
    - WWTP P issues – P trading program SB 557. Use of this program to ID biogas projects.
    - Apply market pull to allow the PSC to visit rec trading between customers and utilities. (Deb and Dave)
  - **Examine the Cooperative structure for establishing bioenergy feedstock supply chains (pellets and propane; milk and CNG; corn stalks/residue and grain storage)** – can put costs and process on what we know today, densification efficiency gains etc. What efficiencies can be achieved via the cooperative model? Feasibility of projects done on charter St for instance. Transportation costs down through centralized facility.

2:00 Determine priority areas (actionable, timely, and feasible)

- Pilot Programs
- Fleshing out how the Coops can operate – transportation, centralized handling
- Thermal Opportunities – pellets for thermal use (topic at next meeting? Btwn now and then)
  - Biomass heating systems – tie into the RTS;
- There is already significant overlap with the issues of importance to the Barriers subgroup
  - Market Volatility/Lack of economic and political continuity and certainty

- Lack of Feedstock Research/Education/Outreach/Public Perception/Customer Demand/Accessibility

2:15 Summarize meeting, discuss timeline and any homework for Sara or members

April 10 Barriers Meeting

2:30 Adjourn